

Governor's Water Policy Council Assured Water Supply Committee

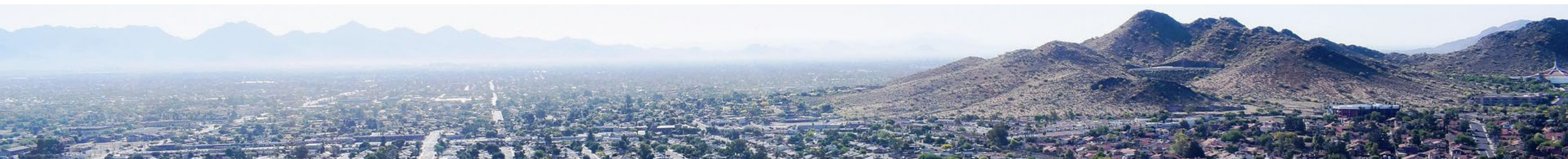
August 15, 2023



I. Welcome

Agenda

- I. Welcome
- II. Committee Objective
- III. Committee Update
- IV. Concepts Discussion
 - i. Build to Rent Development
 - ii. Wildcat Development
 - iii. Retiring Grandfathered Rights
- V. Next Steps
- VI. Closing Remarks



II. Committee Objective

AWS Committee Objective

Review and make recommendations for updates to Assured Water Supply policies—legislatively, administratively, or by executive action—to address the challenges revealed by the modeling projections.

Deliverables: Policy recommendations that meet the objective and principles.

Focus: Development of high-priority, well-constructed proposals, keeping the timeline in mind.

Principles

- Proposals must protect the strength and integrity of the Assured Water Supply program.
- Proposals should enable future growth without reliance on mined groundwater.
- Proposals may not reduce the 100-year requirement or increase the depth to which groundwater may be pumped.
- Proposals must ensure there is water before growth.
- Proposals must protect consumers.

III. Committee Update

June 27 AWS Committee Recap

- Issue, task, objective & principles
- Structure, process & timeline
- Initial concepts & discussion
 - Wildcat development & build to rent development
 - Commingling
 - Infrastructure
- Identification of additional concepts (posted to website)

July 13 AWS Subcommittee Recap

Based on momentum of prior meeting and interests expressed by members, discussed several concepts:

- Strategy to address commingling
- Strategy to address future Infrastructure
- “Hybrid” designation concept
- “Nested” designation concept
- Incentivizing development on ag land
- Retiring grandfathered rights

Meeting Objective

Continue discussion of proposed concepts

- Build to Rent Development
- Wildcat Development
- Retiring Grandfathered Rights



IV. Concepts Discussion

IV. Concepts Discussion

Build to Rent and Wildcat Development

Ben Alteneder
Chief Legislative Liaison



Build to Rent & Wildcat Development Defined

Build To Rent Communities

- Residential development that does not meet the definition of a subdivision
- Commonly referred to as “single family rentals”
- Lease term of less than 1 year

Wildcat Development

- Proliferation of development by subdividing new residential parcels of 6 or more lots with the intent to circumvent laws relating to the creation of a subdivision

Build to Rent Concept

- **Goal: ensure that BTR communities are under the consumer protections of the AWS program and for the purposes of water are treated equally with subdivisions**
1. Define residential lease community (RLC)
 - 6 or more detached residential dwelling units on one or more lots, parcels or fractional interests
 - Offered for the purpose of lease without regard to lease term; including lease terms of one year or less.
 - For purposes of A.R.S §45-576 (AWS program) an RLC is the same as a subdivision

Build to Rent Concept

2. Ensure all applicable fees are paid (CAGRD)
3. A City or County shall not approve a building permit for one or more detached residential dwelling units that are located in a residential lease community within an initial AMA unless the units have obtained a certificate of assured water supply or a written commitment of water service from a designated municipality or private water company.

Assured Water Supply & ADRE

Governor's Water Policy Council
Assured Water Supply Committee



www.azre.gov

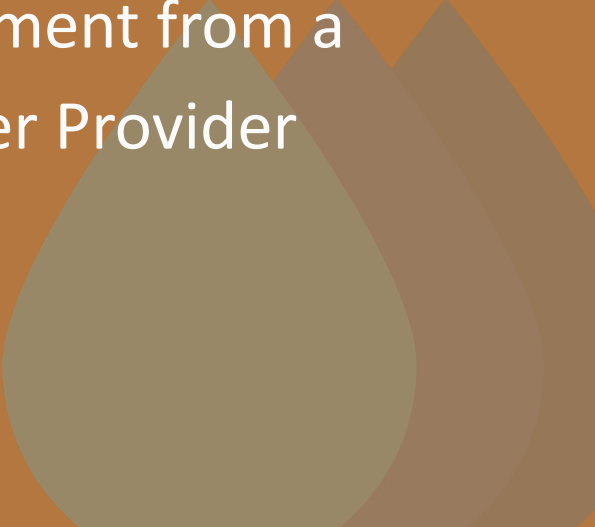
A subdivision is created at the county-level when land is divided into six or more lots, parcels or fractional interests.

Before a subdivision is offered for sale or lease, an ADRE-approved public report is required.

The public report is a disclosure document created for prospective buyers.

One of the 25 disclosure requirements to meet the statutory requirements for a public report is a statement related to the provision of water.

If in an AMA, there are 2 ways to meet this water requirement:

- Certificate of Assured Water Supply
 - Written Commitment from a Designated Water Provider
- 

if this then



that



then

TRIGGER

ACTION

In an AMA:

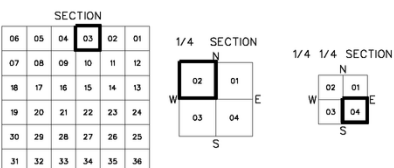
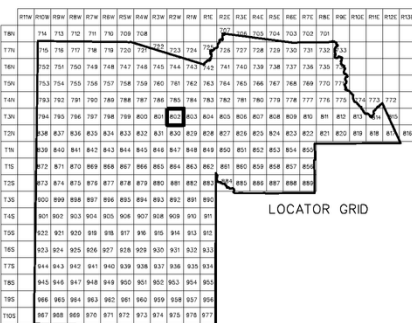
To sell or lease lots within a subdivision, an Assured Water Supply is required.

If no subdivision is created, no Assured Water Supply is required.



Challenges with current requirements

The following slides identify areas of opportunity for improving assured water in the subdivision requirements and process.



ASSESSOR BOOKS & MAPS WITHIN THIS AREA

BOOK: 502 MAP: 02
BOOK: 502 MAP: 89

SUBDIVISIONS

SURPRISE FARMS PHASE 5
MCR 883-20, 2008 SUB



08-21-2009

MARICOPA COUNTY ASSESSOR'S OFFICE
301 W. JEFFERSON ST.
PHOENIX, AZ 85003
www.maricopa.gov/assessor

LEGEND:

- LEGEND:**
- | | | | |
|-------|-----------------------------|-------------|---|
| ----- | Subdivision Boundary Line | X | Indicates change in original lot boundary |
| • | Subdivision Boundary Corner | ----- | Parcel Boundary Line |
| ----- | Street Centerline | ----- | Parcel Split Line |
| o | Street Centerline Marker | 123-45-678A | Parcel Number |
| ⊠ | Section Corner Marker | ⊠ | Parcel Boundary Tie-In |
- REVISION INFORMATION IS LOCATED ON A SEPARATE DOCUMENT

Disclaimer - Indemnification

Requester/Purchaser understands and agrees that Maricopa County does not guarantee the accuracy of the date and information requested and hereby expressly disclaims any responsibility for the truth, lack of truth, validity, invalidity, accuracy, inaccuracy of any said date and information. The parcels on maps are for illustration purposes only and are not intended to be used as a survey product.



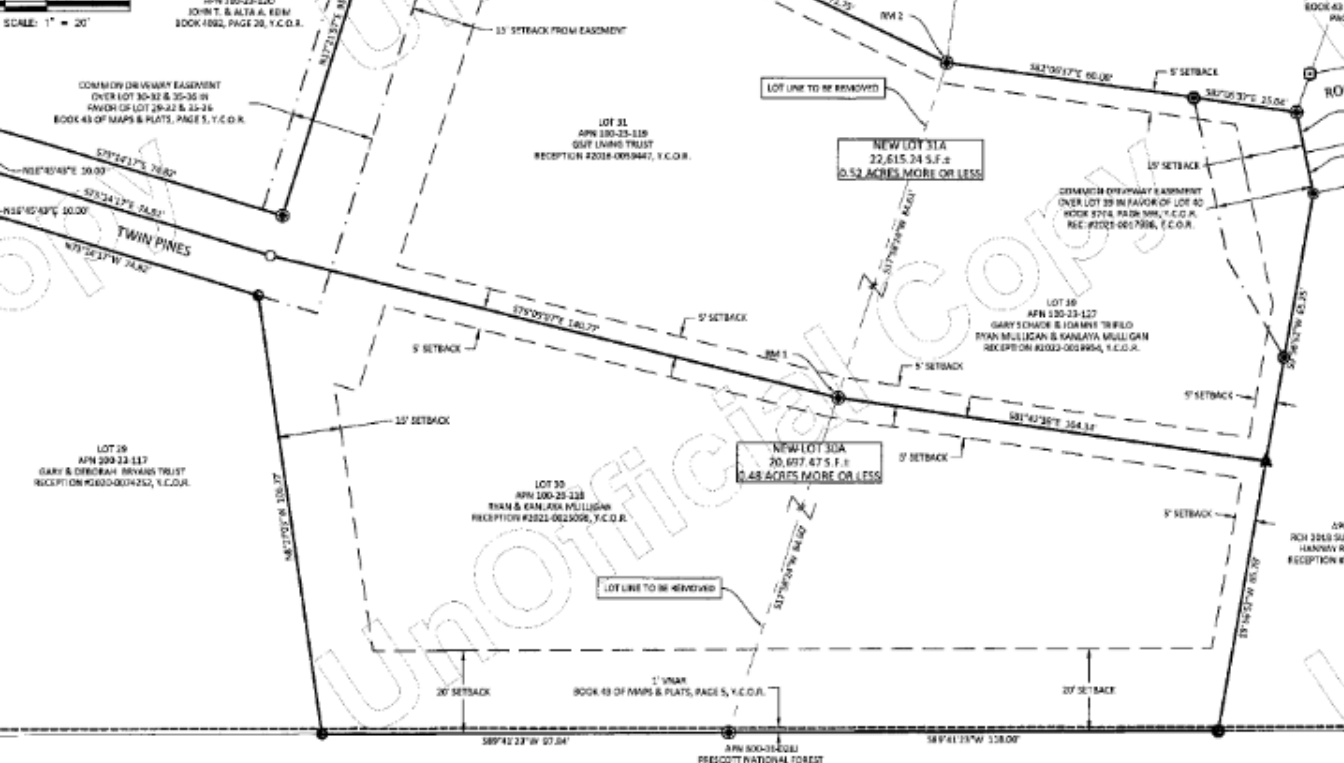
Challenges:

Acting in Concert - Vague and subjective; intent

Current Threshold - 6 or more lots is the threshold

Timing of Violation - "Before offering for sale or lease..."

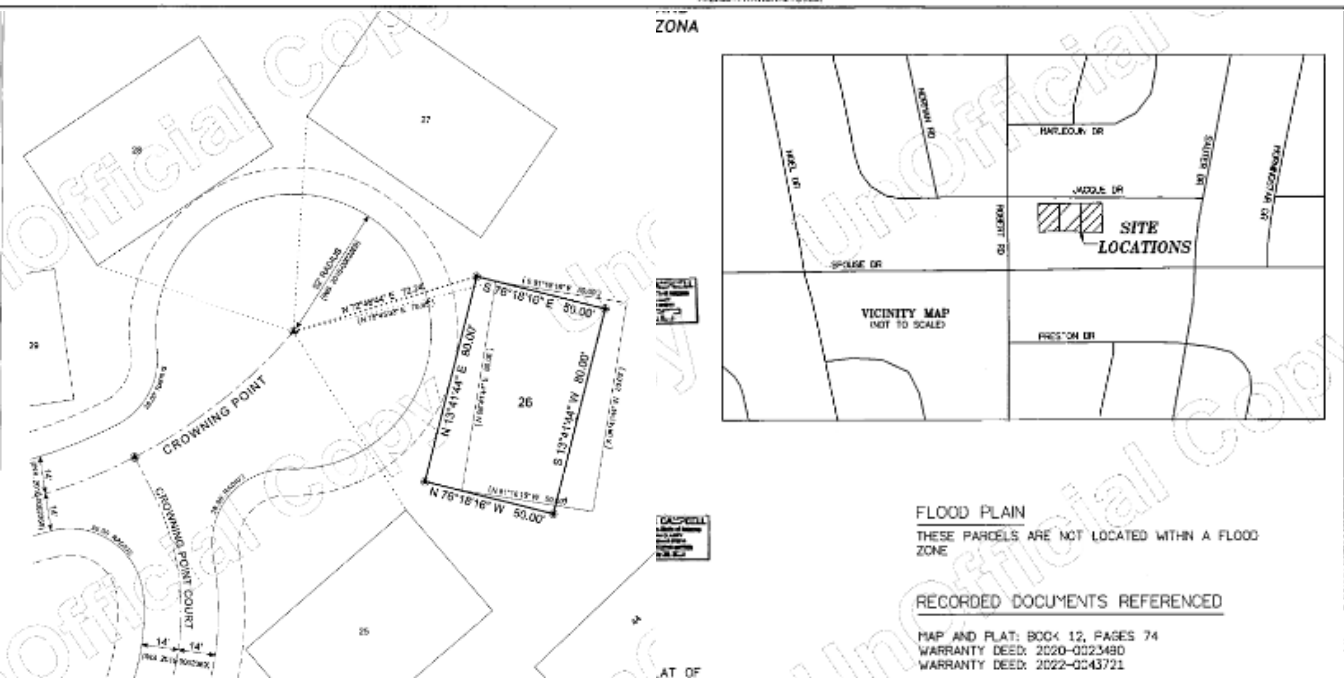
Contiguous - Limits the scope of acting in concert; a street



Challenges: Current Threshold

6 or more lots is the threshold today

- 1937 - 5 lots or more
- 1973 - 4 lots or more
- 1994 - 6 lots or more
- 1994 - 4 lots or more
- 1995 - 6 lots or more





For Sale

Challenges: Timing of Violation

Often developers will have made significant investments before ADRE's review is triggered prior to sale or lease

Surveys - private and local government

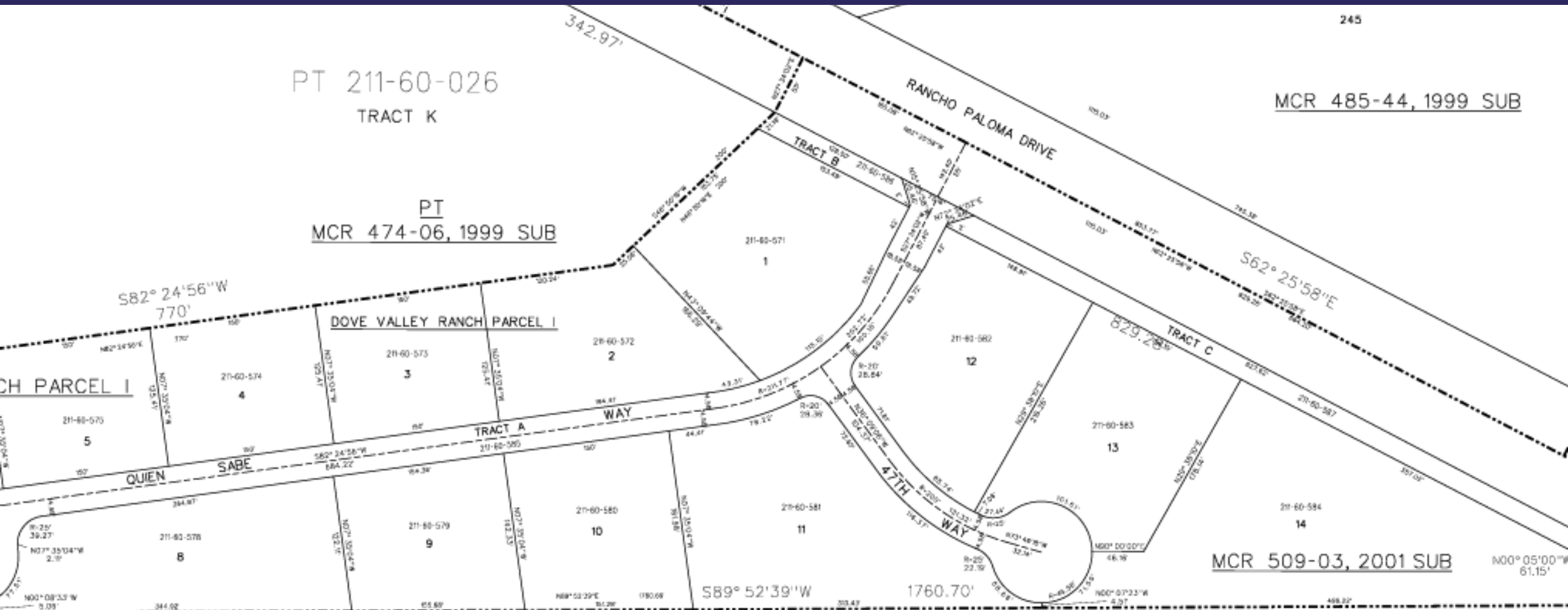
Tentative Plat

Final Plat

Building Permits

Offering for Sale or Lease

The definition of “contiguous” limits the scope of acting in concert (e.g., a street between lots)



MARICOPA COUNTY

OFFICIAL PARCEL MAP

STATE OF ARIZONA

PT. SECTION 03 T03N R02W

MAP ID • 802 - 03 - 02 - 04

01M 02M 03M 04M 05M 06M 07M 08M 09M 10M 11M 12M 13M 14M 15M 16M 17M 18M 19M 20M 21M 22M 23M 24M 25M 26M 27M 28M 29M 30M 31M 32M 33M 34M 35M 36M

01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36

LOCATOR GRID

SECTION

06 05 04 03 02 01

07 08 09 10 11 12

13 14 15 16 17 18

19 20 21 22 23 24

25 26 27 28 29 30

31 32 33 34 35 36

1/4 SECTION

02 01

03 04

1/4 1/4 SECTION

02 01

03 04

ASSESSOR BOOKS & MAPS WITHIN THIS AREA

BOOK: 502 MAP: 02

BOOK: 502 MAP: 89

SUBDIVISIONS

SURPRISE FARMS PHASE 5

MCR 883-20, 2008 SUB

SCALE: 1" = 100'

N

W

E

S

MARICOPA COUNTY

ASSESSOR G.I.S.

08-21-2009

MARICOPA COUNTY ASSESSOR'S OFFICE

301 W. JEFFERSON ST.

PHOENIX, AZ 85003

www.maricopa.gov/assessor

LEGEND:

Subdivision Boundary Line

Subdivision Boundary Corner

Street Centerline

Street Centerline Marker

Section Corner Marker

Indicates change in original boundary

Parcel Boundary Line

Parcel Split Line

Parcel Number

Parcel Boundary Tie-in

REVISION INFORMATION IS LOCATED ON A SEPARATE DOCUMENT

Disclaimer - Indemnification

Register/Owner understands and agrees that Maricopa County does not guarantee the accuracy of the data and information requested and hereby expressly disclaims any responsibility for the truth, lack of truth, validity, timeliness, accuracy, completeness or any other data and information. The information on maps are for illustrative purposes only and are not intended to be used as a survey product.

The main parcel map displays a grid of lots within a larger section. Streets shown include Surprise Farms Loop North, Young Street, Post Drive, Tasha Drive, Statler Street, Paradise Lane, and 184th Avenue. Tracts are labeled as Tract F1, Tract Z, Tract A1, Tract W, Tract T, Tract Q+, and Tract 11. Lots are numbered, with some lots having specific identifiers like 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 256, 255, 254, 253, 252, 216, 217, 218, 219, 220, 221, 222, 223, 205, 204, 203, 202, 201, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 150, 149, 148, 147, 146, 175, 174, 173, 172, 155, 156, 157, 158, 159, 145, 144, 143, 142, 141, 140, 139, 138, 137, 136, 135, 134, 133, 132, 131, 130, 129, 128, 127, 126, 125, 124, 123, 122, 121, 120, 119, 118, 117, 116, 115, 114, 113, 112, 111, 110, 109, 108, 107, 106, 105, 104, 103, 102, 101, 99, 98, 97, 96, 95, 94, 93, 92, 91, 90, 89, 88, 87, 86, 85, 84, 83, 82, 81, 80, 79, 78, 77, 76, 75, 74, 73, 72, 71, 70, 69, 68, 67, 66, 65, 64, 63, 62, 61, 60, 59, 58, 57, 56, 55, 54, 53, 52, 51, 50, 49, 48, 47, 46, 45, 44, 43, 42, 41, 40, 39, 38, 37, 36, 35, 34, 33, 32, 31, 30, 29, 28, 27, 26, 25, 24, 23, 22, 21, 20, 19, 18, 17, 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1.

Challenges:

Acting in Concert - Vague and subjective; intent

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Timing of Violation - "Before offering for sale or lease..."

Contiguous - Limits the scope of acting in concert; a street

IV. Concepts Discussion

Retiring Grandfathered Rights

Natalie Mast
AMA Director



Types of GFRs in AMAs

- Irrigation Grandfathered Right (IGFR)
 - Allows the holder to irrigate acres of land that were irrigated in the five-year historic period for that AMA
 - Tied to the land
- Type 1 Non-Irrigation GFRs
 - Created from the permanent retirement of an IGFR, may be used for non-irrigation purposes
 - May not be sold separately from the land, with specific restrictions on location of use
 - Maximum of 3 acre-feet/acre, but may be less
- Type 2 Non-Irrigation GFRs
 - Right that can be used for non-irrigation purposes, based on non-irrigation pumping in the five years preceding the designation of the AMA
 - Flexible, may be sold separately from the land. May not be divided, but a portion may be leased, and it may be used anywhere within the AMA

Purchase & Retirement of Grandfathered Rights (GFRs)

“May include in each plan, if feasible, a program for purchase and retirement of grandfathered rights by the department.” (A.R.S. § 45-567(8))

Purchase & Retirement of GFRs

- Implementation
 - Authority is under management plans
 - Would require a formal modification to 5MPs
- Potential Provisions
 - Purchase of the retirement of the right, not the land
 - Could be any type of GFR or combination of types
- Funding options
 - Withdrawal fees
 - Other sources

Type 1 Non-Irrigation GFRs

AMA	Allotment (AF)	2021 Use (AF)	% Utilization
Phoenix AMA	89,577	30,221	34%
Pinal AMA	42,863	8,149	19%
Prescott AMA	675	380	56%
Santa Cruz AMA	4,286	21	0%
Tucson AMA	60,162	3,377	6%

Type 2 Non-Irrigation GFRs

AMA	Allotment (AF)	2021 Use (AF)	% Utilization
Phoenix AMA	134,030	46,128	34%
Pinal AMA	15,916	3,588	23%
Prescott AMA	4,762	471	10%
Santa Cruz AMA	2,942	1,091	37%
Tucson AMA	137,868	36,204	26%

Irrigation GFRs

AMA	Allotment (AF)	2021 Use (AF)	% Utilization
Phoenix AMA*	354,878	277,939	78%
Pinal AMA*	474,458	317,503	67%
Prescott AMA	441	33	7%
Tucson AMA	40,605	30,670	76%

**IGFR values exclude those IGFRs that are currently regulated under the BMP Program*

Irrigation GFRs

AMA	Irrigation District	Allotment (AF)	2021 Use (AF)	% Utilization
Phoenix AMA*	Salt River Project	77,619	36,429	47%
Pinal AMA*	Maricopa Stanfield Irrigation & Drainage	181,880	148,124	81%
Pinal AMA*	Central Arizona Irrigation & Drainage	156,034	130,949	84%
Prescott AMA	Chino Valley Irrigation Dist.	441	33	7%
Tucson AMA	Cortaro Marana Irrigation District	40,605	30,670	76%

**IGFR values exclude those IGFRs that are currently regulated under the BMP Program*

V. Next Steps

Action Items & Upcoming Meetings

Next Governor's Water Policy Council meeting: (tentative)

Wednesday, September 6, 2023, 1:00 pm, ADWR

Next AWS Subcommittee meeting:

TBD

Next AWS Committee meeting: (tentative)

Tuesday, September 12, 10:00 am, ADWR

VI. Closing Remarks

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Governor's Water Policy Council webpage:

www.azwater.gov/gwpc

